

Research Administration Practices (RAP) Sessions

Foundation and Non-Profit Sponsors

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Presented by:

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Agenda

- Welcome and Introductions
- Definitions
- Common Items and Issues
- Office of Foundation Relations
- Resources

Definitions

The Council on Foundations defines a *foundation* as an entity that supports charitable activities by making grants to unrelated organizations or institutions or to individuals for scientific, educational, cultural, religious, or other charitable purposes.

MIT includes *non-profit organizations* in this category as well: disease societies like the American Cancer Society, industrial foundations such as the Schlumberger Foundation, and our fellow educational institutions if the project is to be funded from an internal source.

Common Items and Issues

- Activity Type determination may be complicated
- Budget restrictions
- Underrecovery - Limits on overhead rates or amounts
- Proposals for large dollar amounts (>\$5M) may require special review
- Cost sharing
- Application submission portals
- Negotiation and Post Award
 - Intellectual Property Terms
 - Processes for award changes

Budget Restrictions

Common budget restrictions include:

- Equipment not allowed
- Subawards not allowed
- Cap on fringe benefits: Budget to cap DLC must confirm that amounts exceeding those allowed will be covered by department funds
- Cap on tuition costs: Budget to cap, DLC must confirm that amounts exceeding those allowed will be covered by department funds
- Budget limited to set amount
- Lab Allocations may not be allowed

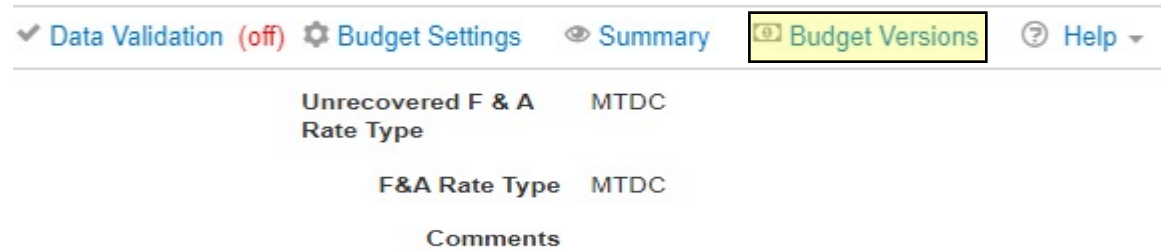
Underrecovery

When Sponsor's F&A rate allowance does not match MIT's F&A rate, underrecovery (UR) occurs

At proposal stage, DLCs should be entering the correct F&A and base in KC, through "Budget Settings", "Rates" and "Comments".

Note: KC errors at final approval stage if the same source account is entered twice in one fiscal year.

In KC, Budget > Budget Settings (top right header) – update "Unrecovered F&A Rate Type" and "F&A Rate Type", along with Comments



In KC, Budget > Rates – update "Applicable Rate" column accordingly

Rates Refresh All

Verify the default rates set by your institution. You can override them if necessary by clicking the edit icon to the right of each row.

Organized Research F & A Fringe Benefits Inflation Vacation Other

Organized Research F & A Sync to Current Institutional Rates

Description	On Campus	Fiscal Year	Start Date	Institute Rate	Applicable Rate *
MTDC					
MTDC	No	2017	07/01/2016	6.00	20.00
MTDC	Yes	2017	07/01/2016	54.70	20.00
Broad Sequencing F&A	Yes	2008	07/01/2007	43.50	43.50

Underrecovery, cont'd

At award stage, UR is shown in KC via KC Award module > Commitments tab > Rates. This information is the estimated underrecovery based upon the proposal budget expenses...

KC Award ?

PI:		Document ID/Status:	2664808:FINAL
Lead Unit:		Award ID/Account:	026822-00001
Sponsor Name:	The Simons Foundation	Last Update:	09/19/19 11:2

Award Contacts Commitments Budget Versions Payment, Reports & Terms Special Review Custom Data Comments, Notes & Attachments Award Actions Medusa

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[time & money](#) [Award Budget](#)

Cost Sharing ▶ show

Rates ▼ hide

▼ hide F&A Rates

F&A Rates									
	Rate	Type	Fiscal Year	Start Date	End Date	Campus	*Source	*Destination	Unrecovered F&A
1	20.00	RESMN	2017	05/01/2017	06/30/2017	off	0000000	9999999	
2	20.00	RESMN	2017	05/01/2017	06/30/2017	on	1524029	6936338	4,521.06
3	20.00	RESMN	2017	05/01/2017	06/30/2017	on	1559874	6936338	4,520.26
4	20.00	RESMN	2017	05/01/2017	06/30/2017	on	1733460	6936338	4,520.00
5	20.00	RESMN	2017	05/01/2017	06/30/2017	on	1733461	6936338	4,520.00
6	20.00	RESMN	2018	07/01/2017	06/30/2018	off	0000000	9999999	
7	20.00	RESMN	2018	07/01/2017	06/30/2018	on	1524029	6936338	5,566.86
8	20.00	RESMN	2018	07/01/2017	06/30/2018	on	1559874	6936338	5,566.86
9	20.00	RESMN	2018	07/01/2017	06/30/2018	on	1733460	6936338	5,567.00
10	20.00	RESMN	2018	07/01/2017	06/30/2018	on	1733461	6936338	5,567.00
11	20.00	RESMN	2019	07/01/2018	06/30/2019	off	0000000	9999999	
12	20.00	RESMN	2019	07/01/2018	06/30/2019	on	1524029	6936338	9,841.26
13	20.00	RESMN	2019	07/01/2018	06/30/2019	on	1559874	6936338	9,841.26
14	20.00	RESMN	2019	07/01/2018	06/30/2019	on	1733460	6936338	9,841.00
15	20.00	RESMN	2019	07/01/2018	06/30/2019	on	1733461	6936338	9,841.00

Underrecovery, cont'd

...but the Summary Statement in SAP shows the actual underrecovery through the F&A Calculated and F&A Adjustments g/l accounts, based upon the actual expenses charged to the award. When monthly reconciliations are done, DLCs process the monthly transfer of underrecovery to the appropriate source account(s) (listed in the proposal budget or as updated in internal communications during the life of the award).

Summary Statement				
Expand All Expand Collapse Collapse All DTR Download				
WBS 6936338 Project: 6936338 Title ASSEMBLY AND DYNAMICS OF MULTI-SPECIES M Month End October 31 2019 Company Mass. Inst. of Technology Begin 05/01/2017 End 04/30/2022 Authorized Total \$ 382,408.38 Supervisor PI Name Hidden Costing Sheet Research MTDC On Campus 20.00 ON - 20.00 OFF Sponsor The Simons Foundation Contract Number AWARD ID: 542385				
	BUDGET	CURRENT	FISCAL YTD	CUMULATIVE
	(Version 0)			
TOTAL Direct Expenses	313,453.49		6,848.69	265,978.76
Indirect Expenses				
Indirect Expenses				
F&A				
600304 - F&A On			3,440.37	114,501.62
(Calculated) 600304 - F&A On				
TOTAL F&A			3,440.37	114,501.62
F&A Adjustments				
490320 - Adj PY F&A On to Spon			68.34	68.34
600316 - Adj F&A On to Spon Bas			2,080.54-	74,530.31-
(Calculated) 600316 - Adj F&A O				
TOTAL F&A Adjustments			2,012.20-	74,461.97-

Underrecovery, cont'd

In solicitations, Foundation and Non Profit Sponsors may use language noting either:

1. ___% overhead allowed on direct costs or
2. ___% overhead allowed on total costs

The chart on the right shows the conversion rate for “TDC” when Sponsor notes F&A allowed on Total Cost base.

TC Rate Conversion Table Percent Total costs vs Percent Total Direct Cost	
TC rate	TDC rate
5%	5.26%
8%	8.69%
10%	11.11%
15%	17.65%
20%	25.00%
25%	33.33%
30%	42.86%
35%	53.85%
40%	66.67%
45%	81.82%
50%	100.00%

Cost Sharing

DLCs must cover overhead costs associated with costs voluntarily shared. The Institute will cover overhead costs associated with mandatory cost sharing.

- **Mandatory if:**
 - cost sharing is required in the sponsor application guidelines
 - the sponsor requires costs to be committed from other sources as a condition of accepting a proposal for review
- **Voluntary if:**
 - other project cost information is not required, but voluntarily provided by PI

Considerations:

- Proposal Stage When Tracking May be Waived: If other project funding information is required, or if PI is soliciting several non-profits to raise funds for a program/project, and cost sharing is not intended by the PI, the cost share commitment can be waived provided the PI includes explicit statements in the proposal to demonstrate how the sponsor's funds will be used to support the grant purpose in the event additional project funding does not become available
- Award Stage: RAS will review the nature of the cost sharing that is committed, and confirm upon award the sponsor's expectations regarding reporting to determine whether it will need to be formally tracked in the accounting system for reporting/audit purposes

DLC Perspective

Proposal Stage

- Deadlines – in addition to normal proposal routing times, note special reviews/approvals (UR, other) may require additional time
- Communicate with your PI
 - Are there special Sponsor requirements/instructions (from solicitation)?
 - Provide checklist and timeline for on time proposal submission

Award Stage

- Review Grant Agreement and account setup
- Financial Reporting/Other Reporting

In General

- In addition to your RAS CA, get to know:
 - OFR – Office of Foundation Relations
 - RSO – Recording Secretary's Office
 - VPF SPNA – Sponsored Billings Team

Negotiation and Post Award

- Intellectual Property Terms
 - If Terms are known at the Proposal Stage:
 - Review terms with your PI
 - The RAS CA will ask you and/or your PI to confirm that all understand and can comply with the terms
 - At the award stage, the RAS CA will coordinate the negotiation of terms if needed

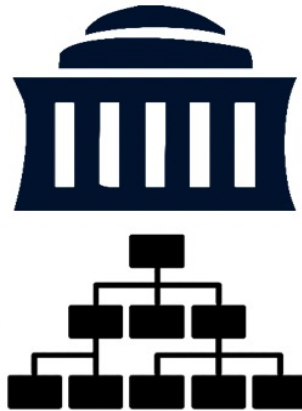
Negotiation and Post Award, cont'd

- Once awarded, always check agreement terms for processes to request project changes such as budget, period of performance, or changes to the project aims
- If the agreement is silent on what to do, consult with your RAS CA. It is most often safe to assume that any changes require the sponsor's prior written permission
- Unless the agreement says explicitly that any change requests come from the Institute, it is generally fine for the PI/DLC to submit the request. Send the Sponsor's response in writing to your RAS CA for documenting in the KC award module

Office of Foundation Relations - Key Roles



Use expertise to match MIT areas with foundation goals to develop and manage relationships, in partnership with senior leadership, faculty, and colleagues



Work with cognizant units across MIT to coordinate strategy and proposals



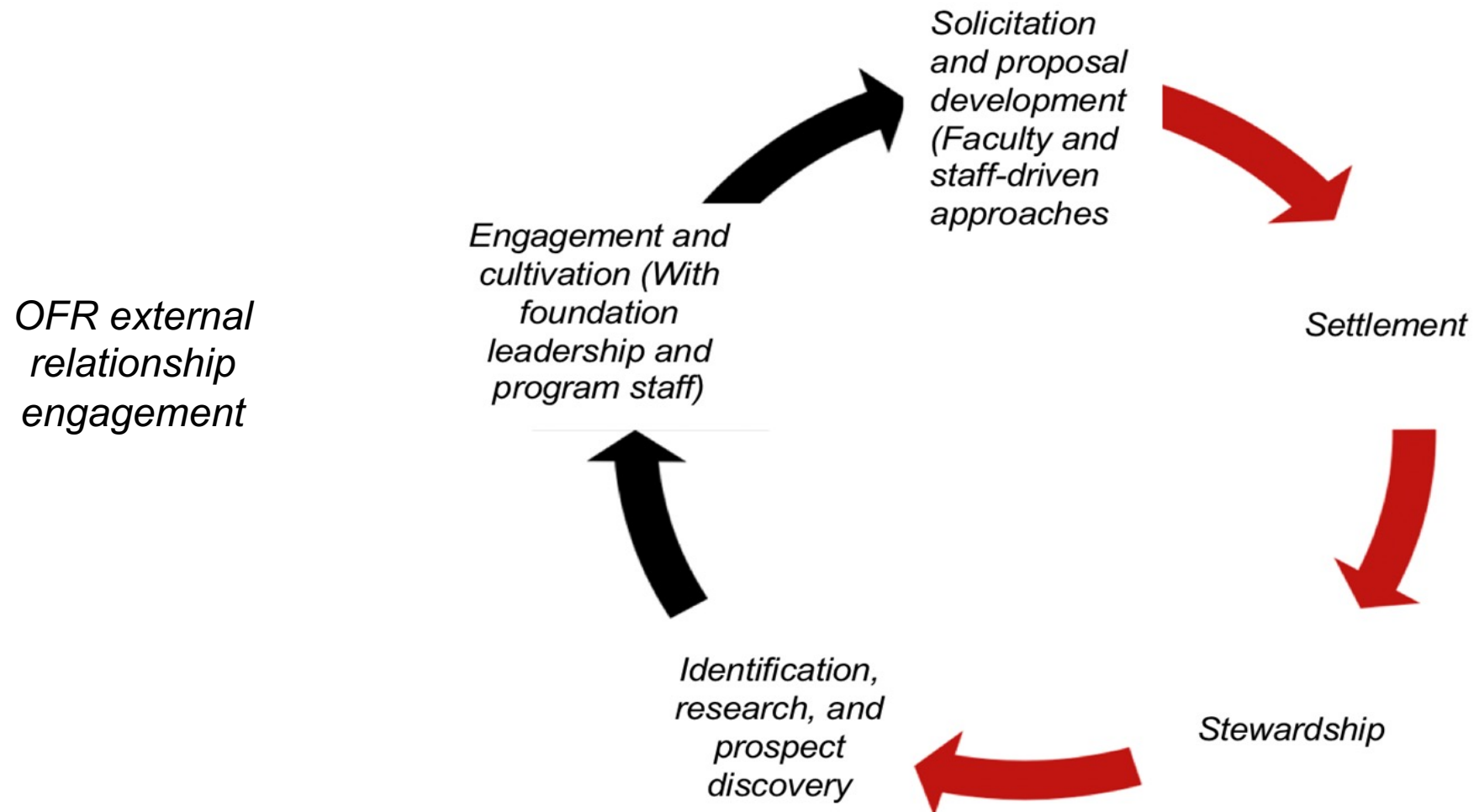
Steward support and continue to serve as a matchmaker to identify and foster additional funding opportunities

Four OFR Strategies

- Focus on OFR maintaining strong relationships with foundations over time on behalf of MIT
- Sustain and grow OFR foundation funding knowledge
- Aim for wider **coverage** of MIT with matrixed OFR staffing
- Foster OFR organizational **resilience** through best practices, stronger systems, and efficient processes

Activities with Foundations

“The fundraising cycle”



OFR – Thanks for your help!

Please reach out to OFR
as faculty are preparing
foundation proposals

*OFR clearance is part of the RAS review
process, but the earlier the OFR knows
about a proposal the better*

OFR may be in touch post-
award for questions
related to gift settlement
or stewardship purposes

ofr-ops@mit.edu

Resources

- **Handouts** from Department of Physics
- **RAS** (*Research Administration Services*)
Home page: <https://ras.mit.edu/>
Underrecovery: <https://ras.mit.edu/grant-and-contract-administration/underrecovery>
CA Listing, by DLC: <https://ras.mit.edu/about-ras/staff/by-department>
- **MIT Research Development and Office of Foundation Relations** share responsibility to **MIT Fund Ops listserv**, for open and limited solicitations.
Subscribe here: <http://mailman.mit.edu/mailman/listinfo/MITfundops>
- **Office of Foundation Relations**
Questions, send email to ofr-ops@mit.edu
Website: <https://foundations.mit.edu/>
- **Research Development**
Website: <https://ras.mit.edu/finding-funding/about-research-development-mit>
- **Recording Secretary's Office**
<https://vpf.mit.edu/about-vpfbusiness-units/office-of-recording-secretary>
- **Sponsored Billings**
<https://vpf.mit.edu/sponsored-accounting>
- **Research Education and Support Team**
Ra-help@mit.edu